

Newton County, Indiana
2007 Pay 2008 Budget Order

An analysis of the data with the 2007 Pay 2008 Budget Order for Newton County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Newton County includes three Conservancy Districts (Kentland, Morrocco, and Iroquois Conservancy Districts). A Conservancy District is a special taxing district created to provide flood control, irrigation, potable water or wastewater service within a specified area. The cost of providing these services are charged to landowners in the form of a special assessment based on the benefit provided. These special assessments are added to the property tax bill of each landowner and collected along with property taxes. Since the benefit derived may not relate to the assessed value of the property, these assessments are normally expressed in terms of dollars of assessment and not as a tax rate per \$100 of net assessed value. Therefore, the Conservancy District special assessment has not been included in this analysis.

Newton County has one cross-county unit; South Newton School Corporation. This unit crosses county lines with Benton County, the minor county. Benton County has submitted net certified assessed values for pay 2008, so certified amounts were used for both counties in the cross-county unit.

Changes in Local Tax Levies

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2008 on a county-wide basis was \$1,603,994 million, or 8.25%. Following are the levy changes that were a 10% change over the previous year levy. The largest total dollar increases in levy were due to the County unit (\$719,297), the North Newton School Corp (\$457,873), and the South Newton School Corporation (\$335,896).

Newton County

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$3,337,639	\$3,618,827	\$281,188	8.42%
Health	147,734	114,908	-32,826	-22.22%
Emergency Ambulance Services	689,186	555,653	-133,533	-19.38%

Total County levy increased by \$719,297 or 13.62%.

Newton County Welfare

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Welfare - Family and Children	\$215,146	\$763,432	\$548,286	254.84%

Kentland Conservancy

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$57,064	\$45,950	-\$11,114	-19.48%

Morocco Conservancy

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$59,985	\$72,077	\$12,092	20.16%

North Newton School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$2,922,496	\$3,359,566	\$437,070	14.96%
Debt Service	808,478	626,932	-181,546	-22.46%
Bus Replacement	207,181	361,488	154,307	74.48%

Total School levy increase of \$457,873 or 7.29%.

South Newton School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$893,649	\$1,233,497	\$339,848	38.03%
School Pension Debt	210,809	256,015	45,206	21.44%
Bus Replacement	122,017	92,543	-29,474	-24.16%

Total School levy increased by \$335,896 or 6.80%.

No units in the County exceeded the working maximum levy. All units in the County levied up to or near the working maximum levy.

Changes in Real Property Gross Assessed Values

Real Property Gross Assessed Values increases by property class are as follows.

<u>Class</u>	<u>% Increase</u>
Agriculture	14.92%
Industrial	-0.21%
Commercial	9.02%
Residential	8.12%
Utility	5.10%

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

<u>Class</u>	<u>2007 Ratio</u>	<u>2008 Ratio</u>
Agriculture	36.49%	38.01%
Industrial	4.22%	3.82%
Commercial	6.73%	6.65%
Residential	52.56%	51.51%
Utility	0.00%	0.00%

As can be seen from the analysis, a shift from residential, industrial, and commercial property to agricultural property occurred. This shift was approximately 1.52%.

Change in Net Tax Rates

Changes in net tax rate by district were as follows.

<u>District</u>	<u>Change in NAV</u>	<u>Change in Gross Tax Rate</u>	<u>Change in Business Personal Property Net Tax Rate</u>	<u>Change in Real Estate and Other Personal Property Net Tax Rate</u>	<u>Change in Homestead Net Tax Rate</u>
Beaver Township	15.05%	-2.67%	-1.87%	-0.83%	-16.04%
Morocco Corp (Beaver)	1.83%	-1.76%	-0.95%	0.46%	-16.81%
Colfax Township	1.29%	-1.87%	-0.81%	0.14%	-15.13%
Grant Township	11.30%	1.10%	4.41%	6.50%	-6.35%
Goodland Corp (Grant)	-3.65%	2.07%	4.74%	7.01%	-8.44%
Iroquois Township	12.28%	0.66%	3.79%	5.82%	-6.81%
Brook Corp (Iroquois)	-6.12%	2.75%	5.23%	7.56%	-9.18%
Jackson Township	22.72%	-2.13%	-1.13%	-0.14%	-15.43%
Mount Ayr Corp (Jackson)	-11.49%	0.48%	1.71%	2.90%	-14.70%
Jefferson Township	18.70%	0.89%	4.17%	6.26%	-6.48%
Kentland Corp (Jefferson)	-2.77%	1.63%	4.48%	6.67%	-7.81%
Lake Township	9.27%	-2.16%	-1.24%	-0.20%	-15.51%
Lincoln Township	15.65%	-2.20%	-1.24%	-0.27%	-15.40%
McClellan Township	19.38%	-2.19%	-1.22%	-0.19%	-15.58%
Washington Township	14.59%	0.56%	3.66%	5.77%	-7.00%
Average	7.87%	-0.32%	1.58%	3.16%	-11.78%

Downward pressure on tax rates came from increases in Assessed Value due to trending and from the increased Homestead Credit rate. Upward pressure came from increases in tax levies. No unusual trends in NAV or homestead tax rates were evident during this analysis.

Assessment Status

Below is an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

<u>Property Class</u>	<u>Percent of Parcels with Identified Assessed Valuation Change</u>				
	<u>Decrease</u>	<u>No Change</u>	<u>0 - 30% Increase</u>	<u>30 - 100% Increase</u>	<u>More Than Doubled</u>
Commercial	23.5%	1.1%	70.6%	3.8%	1.1%
Industrial	31.5%	2.7%	63.1%	2.0%	0.7%
Residential	29.3%	4.0%	54.0%	12.4%	0.4%
Agricultural	4.5%	2.3%	86.9%	6.3%	0.0%
Exempt	29.0%	1.6%	67.7%	1.6%	0.0%
Utility	0.0%	0%	100.00%	0.0%	0.0%
Overall	21.8%	3.3%	64.6%	10.0%	0.3%